



**Washington State
Health Care Authority**

P.O. Box 42702 • Olympia, Washington 98504-2702
FAX 360-923-2614 • TTY 360-923-2701 • www.hca.wa.gov

May 15, 2006

TO: Potential Flexible Spending Account/
Dependent Care Assistance Program Bidders

FROM: Vicky Rideout
RFP Coordinator

SUBJECT: Addendum 2
Revision to RFP, and
Questions and Answers

The purpose of this amendment is to revise the Request for Proposals (RFP) as noted below and to provide prospective bidders with the second set of Questions and Answers regarding the RFP.

The Request for Proposals (RFP) is revised as follows:

Section 3.2.1.3.j is deleted;

and

Section 4.2 Evaluation Weighting and Scoring is deleted and replaced with the following:

Technical Proposal	40 percent	80 points
3.2.2. Project Approach	60 points	
a. Open Enrollment and Implementation		
b. System Implementation		
c. Reimbursement and Accounting		
d. Customer Service		
e. Record Keeping and Contract Reporting		
3.2.3. Work Plan/the work Contractor will do for HCA	10 points	
3.2.4. Project Schedule/availability of resources	10 points	
Management Proposal	40 percent	80 points
3.3.1. Management	20 points	
3.3.2. Experience	60 points	

Cost Proposal	20 percent	40 points
3.4.1. Per participant per Month fee		
3.4.2. Other fees		
Total		200 points

When submitting your proposal, please include a signed copy of this cover sheet as acknowledgment of your receipt of this amendment.

Bidder's Signature: _____

Company Name: _____

Date: _____

ADDENDUM 2
TO THE
REQUEST FOR PROPOSALS
QUESTIONS AND ANSWERS
FOR
FLEXIBLE SPENDING ACCOUNT
DEPENDENT CARE PROGRAM, THIRD-PARTY ADMINISTRATOR

QUESTION 1

What does the HCA anticipate will be the use or uses of forfeited funds?

Answer: Initially the HCA expects to use the forfeited funds to cover any shortfalls and to rebuild reserves. In the future, the forfeited funds may be used to offset administrative costs.

QUESTION 2

Does the State anticipate extending the run-out period due to the grace period?

Answer: The HCA does not anticipate making a change. The grace period is the two month, 15 day period immediately following the end of the plan year (March 15) and the run-out period ends on March 31 following the end of the coverage period.

QUESTION 3

What is the total number of eligible employees for the next plan year?

Answer: The number of current eligible employees is 104,709. This number may fluctuate, but the HCA anticipates that it will be approximately the same at the beginning of the new plan year (January 1, 2007).

QUESTION 4

What is the average contribution to accounts?

Answer: The average annual contribution is \$1,191.24. The average monthly contribution by an employee is \$103.48.

QUESTION 5

Has the current FSA administrator been the sole administrator since plan inception in 2003?

Answer: Yes.

QUESTION 6

Page 10 indicates that HCA desires HIPAA, COBRA compliance of the Medical Reimbursement program. Can you tell me if HCA out-sources its COBRA Administration or if it is managed in-house?

Answer: COBRA administration is done in-house.

QUESTION 7

Is there significant interest on the part of HCA to offer a Debit Card to its participants?

Answer: We cannot say that we have significant interest in debit cards for the FSA product. However, we would be interested in learning more about the benefits of debit cards, including their ease of use, and the cost effectiveness—basically the pros and cons.

QUESTION 8

Can you confirm that enrollment in the medical Spending Account is done via paper form, not an electronic/web based enrollment system that will pass participant election information electronically?

Answer: Employees can currently enroll both online and by paper enrollment forms sent to the FSA administrator.

QUESTION 9

Section 2.i (page 13) indicates that the HCA wishes for the contractor to “be responsible for mailing the re-enrollment material to the then-current participants” but the previous sentence indicates that participants “failure to re-elect will result in cancellation of plan participation.” If failure to re-elect cancels their participation what is the purpose of the mailing after they fail to re-elect?

Answer: The mailing is sent to then-current participants inviting them to re-elect prior to the end of the plan year. The mailing invites them to re-elect, but if they choose not to do so they are not participants for the following year. If they do not re-elect, there are no further mailings to that person.

Question 10

What is the current number of employees eligible to enroll in the FSA program (prior to the program being opened up to all State employees)?

Answer: The most recent number that we have is 42,990. This total may not include some of the smaller colleges. This number fluctuates and may have increased or decreased.